A large reduction in the cost of establishment should be made at an early date. A few officers of this Department may be drafted to the Department of Industries, as was recently done by the Madras Government. Of course, they should receive training in the new work.

HEADS XXIX AND XXXI.

Railway.

The last item of the Budget I shall speak about is the Railway account. The Budget provides Rs. 2,40,200 towards the liquidation of the capital liability on account of the Quilon-Shencottah Railway. It is gratifying to see that in the next year there is no need of an allotment to meet the guaranteed interest to the Company on account of this Line—an item for which the current year's Budget allotted Rs. 1,00,000. This shows that the earnings in respect of the two Lines put together, will meet this, after paying current expenses. There is no doubt this change is due to the increase in the passengers and goods traffic after extending the Railway to Trivandrum. If a Line of Railway is opened connecting our Line with the Cochin Railway through Central Travancore, the earnings will be enormous. The debt on account of the Quilon-Shencottah Line will soon be wiped off and the country will be opened up, to the greater advantages of the people. A bold policy of doing this work with borrowed capital can hereafter be not considered risky and there will be less difficulty now to secure loans than we had in connection with the extension of the Railway to Trivandrum.

Conclusion—Ways and Means.

In the proposals that I have made and in those that will be made by my colleagues in the Council, we plead for the reduction of the burdens and simultaneously ask Government to spend more money in various ways. It may be asked whether these requisitions are not contradictory and inconsistent. I have only to quote the words of the late Mr. Gokhale, by way of answer. Says Mr. Gokhale—

"It may be asked how can the two things that I advocate simultaneously, be achieved together, *viz.*, a considerable reduction of taxation and a large increase of expenditure on education and other domestic reforms. My answer is that the only way to attain both objects simultaneously is to reduce the overgrown military expenditure of the country". If we substitute "expenditure on public service" in place of "military expenditure" in the passage I have quoted, the facts will apply to Travancore finances.

Sir, we are new to this work of discussing the Budget in this Council and if we have not risen to the level you may expect of us, I can assure you that we shall spare no pains to improve in this direction. And if the Budget should be modified in any respects, as a result of our discussion to-day, we, on this side of the House, will consider ourselves amply compensated for any trouble we have undertaken".

Mr. Kayalam Parameswaran Pillai:—

"Permit me, sir, to associate with you in taking this as a memorable day in the annals of the State, when we are beginning to exercise the right of Budget discussion under concessions so graciously made by His Highness the Maha Raja. But it need hardly be said that if this discussion should prove really and substantially useful to Government the method of it has to be improved as already suggested by my esteemed colleagues; and I trust that before you lay down the reins of administration you will be enabled to introduce many much-desired and useful reforms in that direction.

Coming now to the figures presented to us by the Financial Statement, it is indeed pleasing to observe that Government have budgetted for the record revenue of Rs. 1,85,52,600 and for a commensurate expenditure of Rs. 1,83,32,800 leaving but a surplus of a little over 2 lakhs of rupees. But it seems to me that some items of revenue require remodelling and expansion while some items of expenditure have to be curtailed and others enhanced. I must say however at the outset that the system of classifying the proceeds of the sale of Government lands like Puduvals etc., as *revenue* is wrong both in finance and in account-keeping and is also highly misleading and mischievous, as it gives room for exhibiting an inflated revenue with the consequent inclination to raise recurring expenses, while as a matter of fact the real revenue heads may be going down. I dare say that if a man sells his patrimony and shows the sale proceeds as his income in his accounts and spends out of it for daily and recurring expenses, you will deem it suicidal finance and suicidal account-keeping. And yet that is what the Travancore Government has been doing all these years, *viz.*, to sell their lands and treat the proceeds as revenue along with Ayacat Revenue, Excise Revenue, etc. Indeed that seems to have been one of the devices for showing an inflated revenue in recent years, and holding it forth as a matter for congratulation. It will be seen from the accounts of the 5 years 1090-94 that the sale proceeds of Government lands amounted to nearly 20 lakhs of rupees, the

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account of 1094 itself being over 4½ lakhs of rupees. If we add the amount expected under this head as per the revised estimate of 1095, the total sale proceeds for 1090-1095 will be nearly 25 lakhs of rupees. This amount is moreover exclusive of the *thadivila* on the lands (which is charged to Forest Revenue and is not possible to be found out separately), and is further not the full value of the lands as the *tharavila* is recovered only in yearly instalments in the case of lands registered in 1090 and afterwards. I am not for a moment suggesting that Government lands should not be registered; only the income therefrom should be treated as capital receipts (like the sale proceeds of the tank-beds rendered useless by the Kodayar Irrigation Project Works) and may, I think, with profit, be earmarked for some productive works or utilised in such a way as directly to improve the economic condition of the people, for example in starting or helping indigenous industrial schemes. I must, however, add that the object of Government in registering their lands should not be merely to secure money out of them anyhow, but should mainly be to open out the lands for *cultivation* and that by the subjects of His Highness the Maharaja. I need hardly bring to your notice that there is a widespread complaint that lands are generally given to influential foreigners to the detriment of the people of the country in spite of the express provision in the Puduval rules that subjects of the State should be given preference in the matter of registries. I am informed that the practice has gone to such an extent in the Devicolam Division, that whenever a Travancorean applies for registry of Sirkar lands, the adjoining registry-holders who are foreign planters are invited to state their views and the lands are given to the applicant only if they do not care to have the lands. It is also noteworthy that favouritism is supposed to play such a great part in matters of registry of Sirkar lands as to convey the impressions that the registry itself, the rate of *tharavila* and the amount of *thadivila* are all the result of personal preferences rather than the application of avowed principles. The Puduval rules themselves are sufficiently elastic to support such preferences at the hands of the Executive whose decisions are final and not liable to be questioned even though the rights of Sirkar may not be prejudiced. I don't want to dilate further on this matter. I would only request you to direct your immediate and careful attention to the matter and to see that, in the disposal of what little lands are yet left, the rules are applied in consonance with justice, equity and good conscience.

There is yet another Head of Revenue that could with advantage be recast. The Revenue shown under Commercial and Industrial Services represents now the gross receipts. The Departments under that head (the Anchal, Reproductive Irrigation Works, etc.) are purely commercial concerns and exist only for doing service for consideration, and, that amount alone could be treated as *Revenue* as would remain after deducting the cost of that service which of course eats up a major portion of the gross receipts. That being so, the net receipts alone should be treated as Revenue. It serves no useful purpose and it is moreover thoroughly misleading to treat the whole of the gross receipts as Revenue that stands to the credit of Government and that could be made available for the expenses of the State. The gross receipts and expenditure may of course be shown in a separate statement for purposes of information and comparative study.

Coming now to the Revenue proper, it is regrettable that the Financial Statement and the Memorandum attached thereto show only the routine figures and do not lay down or forecast any definite policy. In fact it does not enunciate any objective which is sought to be reached by a course of financial policy, nor does it show how or in what stages it may be reached and how the transactions of the coming year may help us in our forward move. It has to be observed also that there is no definite statistics as to the economic condition of the people, the national wealth and the average individual means, so that we may judge how the taxes imposed are affecting the masses of the people and whether they could stand any further taxation, if and when necessary. It is essential, I think, to take an economic survey of the country before we can be enabled to have an intelligent appreciation of the incidence, sufficiency and effect of the taxation.

The taxes that now show an increased return are not necessarily an indication of the economic progress of the masses or their larger purchasing power. The land revenue, for instance, though it is more than the previous year's return (even under Ayacat) and though it affects the people generally, has to be paid by them whether they are able to pay it or not, if they want to retain the land which is practically their sole support in this world. The other heads of Revenue such as Excise, Customs and Stamps and Registration are not contributed to necessarily by the masses and may affect only a few. There is, however, one tax, the salt tax, which touches every one and which may give an indication of the economic condition and purchasing power of the masses. It is however seen that though the Salt Duty has been enhanced and though the selling price of salt has also been enhanced, the revenue therefrom is decreasing. The revised estimate under this head for the current year is

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less than the actuals of last year by more than 1½ lakhs of rupees (which will be a fall of over 8 per cent.) and is smaller than even the budget of the year. The Budget for 1096 is still less. This is a matter of serious concern as it possibly indicates less consumption of salt by the people. Judged by the figures of the last year there has been a decrease in the consumption of salt by the people in 1094 as compared with that in 1093 (*Vide* the Travancore Administration Report for 1094, page 24). In 1093, the quantity issued for consumption was 10,88,476 maunds and in 1094, it was only 10,71,265 maunds. The average consumption in 1093 was 26·12 lbs. per head, while, in 1094, it was only 25·80. This and the possibly still further decrease in 1095 and 1096 in the consumption of salt require consideration and explanation.

The increase in Excise Revenue is alarming as it shows only steadily increasing drunkenness, and that under Stamps and Registration is also not encouraging as it is contributed to by increasing litigation and increasing alienation of properties due to economic strain. It is noteworthy that litigation increased extraordinarily in 1094 and that the documents executed and registered in 1094 are largely for small values, the average value of a document having fallen down even from that in 1093. In 1093, it was Rs. 303, while it was only Rs. 299 in 1094 and it is likely to go still further down in 1095.

The revenue derived from Customs is no indication at all, under Travancore conditions, of any larger purchasing power of the masses of the people as the levy of import duty (to which we must look in this respect) by Travancore Government is very much restricted under the convention with the British Government, and what little is derived under this head (it was only 4·3 p. c. of the total export and import duties in 1094) is mainly from obacco preparations only. The revenue from export duty under Customs, though it is increasing, is from an inequitable levy. While the products of the cocoanut tree in all forms are subject to export duty (besides the land tax levied on the tree itself and on the land on which it grows) and contribute the major portion (it was 58·3 p. c. in 1094) of the collections under this item, there are various other products of the country which are either exempt from taxation of any kind or are but lightly taxed although the yield of such products from the land brings greater profit to the proprietor than the cocoanut tree which as every one knows forms the mainstay of the masses of the country. There is, for instance, rubber, grown and exported largely by capitalists, which may without hardship be taxed with an export duty especially when it is exported in the raw state. Last year over 78 lakhs of rupees worth of rubber was exported, while in 1093, over 87 lakhs of rupees worth was exported. A 5 per cent. duty on this may, with profit, be imposed to meet the growing needs of the progressive Departments of the State. The same may be said of timber exported from the country on which also a 5 per cent. or 10 per cent. duty may be imposed. Last year, over 13 lakhs of rupees worth of timber appears to have been exported though there was a dearth of timber for local consumption.

Another effective way of finding means to meet the ever increasing demands of progressive Departments (especially Industries, Education and Sanitation) is to curtail the expenditure of the various Services and Departments especially the expenditure on officers and establishment which has been making rapid strides in recent years in 'salaries and allowances.' If we compare the expenditure on this in 1094 with that of a dozen years ago the increase will be found to be more than 100 per cent. This matter has been over and over again urged in the Popular Assembly but to no effect. Even in recent years when there has been admittedly financial pressure, we see new places created, supernumeraries appointed, allowances, personal and otherwise, granted including even house-allowances to officers occupying their own houses, increases of salary sanctioned *in future* and even pensions *in future* fixed, without any explanation for such procedure being offered. Even the Huzur Secretariat, we see, is not free from this. From the latest Civil List it appears for instance, that there are a number of supernumerary clerks there. It is not one or two. There are as many as eleven. It passes one's comprehension how the necessity arose for so many supernumeraries over the sanctioned strength and if they are really necessary, why they are not included in the ordinary sanctioned strength. You may critically examine any Department and you will see the same or similar things everywhere. Looking at these, one would be inclined to think that these offices and places exist more for persons than for any necessities of the service.

I do not want to go through all the Departments. But I will just refer to one or two. Take for instance the P. W. D. It appears to have a plethora of officers and establishment, that has only been increasing from year to year in spite of criticisms by the public and in the Popular Assembly. The grant for public works, especially original public works, has been reduced since 1090 and yet the expenditure on officers and establishments has not only been not reduced but has been even increasing. In 1090 while the grant for

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public works by the P. W. D., was Rs. 29,05,449, the charge for establishment was Rs. 4,64,588 or 15·98 per cent. while in 1094 the grant was Rs. 19,24,863 and the establishment charge out of it was Rs. 4,80,213 which works at 25·45 per cent., while that in 1093 it was even 27·25 per cent. The same high cost of establishment is seen in the Budget of 1096 also, although only Rs. 11,35,000 worth of original works are proposed to be carried out in 1096. Any argument that might possibly be advanced in support of these costly officers and establishment on the ground of efficiency may well be met by the thorough collapse, last year, of the Thondara Bridge which was built at a cost of about a lakh of rupees, and also by the cracks from top to bottom of the Law College buildings which cost the Government even larger sum. It is to be hoped that Government will make a searching inquiry to fix the responsibility for the condition of these works.

Take again another Department, the Land Revenue, and consider the number of Peishkars and their Assistants and their salaries and allowances. There was a time when all the Excise Revenue was under charge of these Peishkars. That has been separated with separate officers high and low. And yet not only was the number of Peishkars not reduced but even one was added, *viz.*, the Commissioner of the Devicolam Division, and Additional Assistants have also been appointed, and these are still maintained and maintained at higher cost, although, one by one, many items of work which used to be theirs have been transferred to others, *e. g.*, Puduval and Poramboke works have been transferred to a great deal to the Tahsildars, and Town Improvement Committee work has been transferred to full-time Presidents except in the case of the Padmanabhapuram Division where only one of the two Town Improvement Committees has been transferred to a Non-Official President.

Take again the Educational Department. The number of controlling officers appears to be too many and the number of professors, assistant professors, tutors, demonstrators, lecturers and what not in the College Department would also appear to be too many. I do not want to dwell at length on this as a committee is appointed to investigate the matter and the report is not yet submitted.

Without referring to the various Departments in detail, I would only urge that it is high time that a serious inquiry by an expert body is started into the working of all Departments, to see whether the expenditure in the working thereof, especially on officers and establishment, cannot be reduced.

The expenditure on Stationery and Printing is such, I think, that may be economised considerably. Two printing establishments are now maintained, one at the Government Press, and the other in the Jail, and I don't think that any expert checking of the out-turn of the work is made at any time to see whether the out-turn is commensurate with the machinery, tools and plant invested and the labour employed and whether there is any waste in these Departments. The printing work that is done for the various Departments independently by those two printing establishments can also be economised by an expert comprehensive examination of all the estimated works and standardising them and checking waste. The same applies to stationery spent by the various Departments for writing and for printing. There is no expert checking and probably no checking whatever, of the stationery required for each Department and for the printing of each class of work required by each Department. For instance we see forms printed on different qualities of paper, both inferior and superior. Surely it can be standardised and the quality and size of paper can be definitely fixed. I doubt if there is any checking of the Stationery Department with the stock in hand and stock issued. I would suggest in this matter that the cost of stationery and printing required for each Department should be charged in the Budget of that Department, so that each Department will see that the expenditure is kept within limits instead of simply asking for stationery and printing for the cost of which that Department does not feel responsibility as it is borne by another Department. It need hardly be mentioned that contracts for the supply of stationery should be given only after calling for tenders and not privately to favoured firms.

I submit, sir, that, by following the lines of action suggested above, sufficient funds can be found for making increased grants to certain important Departments which are now practically starved. First and foremost in this connection, I should mention the Department of Industries. Though Travancore is essentially an agricultural country, there are plenty of raw materials which can be finished into paying marketable products; and unless the State devotes its attention to these industries, it is sure to be left behind in the modern-day struggle for existence. It is extremely gratifying to think that you have yourself realised it and even in your first public utterance promised a vigorous industrial policy, in your *regime*. I can assure you, sir, that it is none too early to start it. Till now the policy seems to have been one of *Laissez faire*. The S. M. R. V. Technical Institute at Nagercoil, for example, which began some 20 years ago with great hopes has been steadily

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going down. Its career has in fact been one of decline and downfall, and to-day we see it converted into a Technical School of modest pretensions. The same or much the same can be said of many industries talked about by the Industries Department. Although there is much talk about industries, we don't see any appreciable progress in any. There are many small industries which people would start and continue to work if there is encouragement and support. I regret to say that the general impression is that Indigenous Industries do not receive and cannot expect to receive that support and encouragement that they deserve. As you are yourself, sir, taking much personal interest in this matter it is not necessary for me to make any lengthy suggestions. I would only say that there should be Technical Schools and Demonstration Factories in all taluks and in all pakuthies and liberal grants and loans should be made to encourage the starting and continuance of industrial concerns, especially the cottage industries, finding out also markets for their products; and further, if and wherever necessary, Government should themselves embark on industrial concerns as, in Mysore, in the case of the Sandal Wood Oil Factory there, or should substantially support such concerns as, in Cochin, in the case of the Leather Factory recently started there.

Another Department to which increased grants should be made is that of the Municipal bodies. I don't think that there is any necessity to substantiate by argument that these local bodies have a claim on the general revenues of the State. The grants to these bodies were fixed about 10 years ago and since then the general revenues have increased by more than 50 per cent. and those bodies themselves have been helping themselves by local taxation. But these generally are poor and are not able to start any works of utility. It is high time that the grants fixed years ago are revised and enhanced. This is especially the case with the Trivandrum T. I. C. which unlike other T. I. C's have to pay for two costly offices *viz.*, the Official President and the Health Officer. Representations have been made in the Popular Assembly often for increased grants, but nothing has been done yet and I earnestly urge that action be taken now at least. Here I may refer to the question of water-supply for the Trivandrum town and point out that it is still in investigation stage. It is a very urgent measure and ought to become a *fait accompli* as early as possible.

Closely allied to the Municipalities is the Sanitary, Medical and Ayurveda Departments the grants to which are extremely low. In regard to the Medical Department, although there are a number of qualified and capable medical men they are many of them attached to the Institutions which are ill-equipped and poorly supplied with medicines, so that the expenditure incurred on the medical men and cost of maintaining the Institution becomes practically a waste. For 1096, only Rs. 1,00,000 is allotted for purchase of medicines and surgical instruments together, while even in 1094 more than Rs. two lakhs was spent on the same and the Budget grant for 1095 was fixed at Rs. 1,60,800. You can, sir, more or less imagine how much medicine and surgical appliances you can get for this one lakh of rupees at the present day high cost of European drugs. The returns of 1094 show that more than 8½ lakhs (8,55,713) of people were treated in these medical institutions. If the same number has to be treated in 1096 also the cost of medicines and surgical instruments together will work at less than 2 annas per head, a poor sum indeed.

Much the same has to be said of the Ayurveda Department also which has become very popular since the advent of the present Director. More money might be allotted to this Department and it will be highly appreciated by the people. Especially a much larger advance might be made for the preparation of medicines in the Pharmacy, and, as the medicines prepared there, are sold, there is no loss to Government unless it be the interest on the money advanced.

And lastly I would plead for further grants to the P. W. D., especially for original works on communications. This Department has been starved for these five years and no roads or canals worth the name are being opened for the benefit of the people and it seems to me that the time has come to devote more on communications than on imposing architectural structures. For, the former benefit the people much more, and more directly than the latter.

I have perhaps been long, but I have only just touched on some of the important Heads of Revenue and Expenditure and I sincerely trust that they would receive your earnest consideration."

Mr. Nidiry:—

"SIR,

As observed in your opening speech, one agreeable feature we find from the Budget for the next year is the steady growth of State Revenue from year to year. This is

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undoubtedly a matter for congratulation. The land revenue used to be the chief source of our ever-increasing revenue. But owing to the large disposal of Puduval lands in recent years, the Financial Secretary expects only a decrease of one lakh of rupees next year. So unless we encroach on the reserved forests, we cannot expect from that quarter any increase, and I doubt whether my friend Mr. Raman Menon on the other side will agree to that course. But in view of the larger rentals fetched in the recent Abkari auction sales, Mr. George expects an increase of over two lakhs of rupees from the Excise. The revenue from the Abkari has been steadily increasing from year to year and the consumption of arrack and toddy show a proportionate growth from day to day.

In a purely financial point of view, it may be all right. But to one who takes a real interest in the country and its people the undesirable development is somewhat alarming as observed by previous speakers. Does it indicate a real progress? Can we leave the matter entirely to the social reformer or to the religious bodies for a solution of the problem and sit quiet? Is it not time to have a settled policy for the State regarding the drink problem? Even from a financial stand point, is it sound and safe to depend on the shaky basis of the drunkard for our chief source of increase? I think it is high time for our Government to open new lines of revenue to meet our ever-increasing demands. Unless we direct the sources of our future increase of revenue from the beaten track of toddy shops and Puduval sales to Railway stations, Electric installations and Irrigation schemes, I do not think we are really progressing. Though our country is blessed with so much natural facilities for reproductive works, we must confess that we have not been making the best use of them, nor have we derived much benefit in the few attempts, we have tried. Even the attempts, such as the Kodayar Project and the small Line of Railway from Shencottah to Trivandrum are not at all discouraging. The case of the extension of the Railway from Quilon to Trivandrum may be quoted with advantage here. We find the following remarks in the last Administration Report. 'But after the opening of the Quilon-Trivandrum extension for the traffic from the 1st January 1918, the receipts of the entire Line from Shencottah to Trivandrum were so favourable as to yield during the year under report a net revenue of Rs. 1,68,886 after payment of the guaranteed interest on the capital raised for the construction of the Shencottah-Quilon Line.' One may ask, 'where are the funds for all these reproductive works?' According to the Budget, we have an opening balance of Rs. 71 lakhs in round numbers to begin with and an estimated closing balance of 77 lakhs. What is the use of keeping this talent under the napkin like the unwise servant in the parable without making proper and beneficial use of it? If we are really eager for laying more Railways, for the construction of productive Irrigation works and for developing the rich resources of our State, it would be foolish to wait indefinitely long till we have accumulated a sufficient surplus from our annual revenues. I may even go so far as to propose the raising of a public loan to facilitate the speedy completion of such assured reproductive schemes. By a careful use of the pruning knife, I am of opinion that a large saving could be effected from the unnecessary establishment charges of the various Departments. I may be permitted to say in this connection that in a small State like Travancore the Sanitary Department and the Medical Department may be amalgamated or at least placed under one head *viz*, the Darbar Physician, whose chief work is one of supervision. The people are of opinion that the office of the Circle Inspector in the Police Department is an unnecessary embellishment and may be done away with. I may quote instances over and over, but I think that these are sufficient for my purpose. I am also very glad to see from your opening speech that you are also struck with this idea and that we may expect the use of the pruning knife. Shortly I should like to make a few observations on the expenditure side of the Budget. The first thing that I would request the Government is to make a decent provision in the next year's Budget for reproductive works of the nature indicated above. I am sorry that there is no provision whatever made for any kind of reproductive work in it. Another feature that I find in the provisions of the next year's Budget is the step-motherly treatment shown to the P. W. D. We find a little more than Rs. 5 lakhs provided under the head of original works. We are very thankful for the additional Rs. one lakh now provided according to the correction slip now handed to us. Even then, the allotment is poor enough especially in a state like Travancore where we have a Chief Engineer, a Deputy Chief Engineer, nine Executive Engineers, fifteen Assistant Engineers, three Sub-Engineers and quite a legion of Supervisors and Overseers. If the Government are not in a position to give them sufficient work by allotting more funds and if the intention of Government is that people themselves should undertake the construction of roads what earthly use is there of the enormous and costly staff? I may, in this connection, suggest the advisability of having a Budget committee composed of officials and non-officials to advise Government on matters like this. I understand

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that several sanctioned roads and other useful works are allowed to lie over for want of funds. This is really deplorable. One may say the war is responsible for this. But in spite of the war, our revenue was not at all affected. The allotments for other Departments have been ever on the increase with a corresponding decrease as regards the P. W. D. I have to point out in this connection that when some years ago, there was famine in the land, the policy of the Government was to allot extra funds to the P. W. D. for opening new roads, for it served as a relief work. The after effect of the war is still working havoc among the people and if more money is allotted to the P. W. D. and if it is properly spent, it will not only give sufficient work for its numerous employees but it will also be a blessing to the poor and the rich alike. In the altered economic condition of the country, even the maintenance allotment is hardly sufficient. With the amount allotted, we shall have only an apology for maintenance. The condition of several roads in North Travancore is miserably bad. I wish to speak a word about North Travancore. As has been stated by my friend Mr. Krishna Aiyangar it is usual for the P. W. D. to ignore original works in North Travancore. As the teacher who teaches Travancore geography, Government begins from Tovala, in the matter of distribution of funds, to the utter disappointment of the North Travancorean. So I would therefore request you, sir, in the matter of distribution of funds, to begin from Parur instead of Tovala hereafter. As the matter has been dealt with at length by the previous speakers, I do not think that it will be right on my part to waste the time of the Council by any further observations on the subject. Another thing that I wish to point out is that on account of the meagre supply of medicines, the mofussil hospitals are not as useful as they ought to be. Towards the latter part of the year, people complain that they are told that there is no medicine in the hospital. Another complaint is that the funds for the number of beds and diet allotted to them are very limited. The patients from the poorer classes suffer very much in consequence. Though we have competent medical men and costly hospital buildings they have become useless because they have not got sufficient number of beds and necessary funds for diet. So an additional grant in this direction with a view to remove these complaints is a *desideratum*. With these observations, I resume my seat,"

Mr. Subrahmanya Pillai :—

"Sir,

While heartily associating myself with my distinguished colleagues in congratulating you on your appointment, and in welcoming you on behalf of the people of the Padmanabhapuram Division, whom I have the honour to represent in this Council, I venture to express our feelings of extreme gratification and intense satisfaction in being fortunate to have as our Dewan a statesman of ripe experience with a meritorious record of public service behind him. You will find in Travancore a loyal and law-abiding subject population, a well-educated and well informed body of public workers, and a bold and energetic press always voicing forth the demands of the public, ventilating public thought and opinion on vital matters, from time to time.

Sir, this is a momentous occasion, being the first session when you preside and when the Budget discussion takes place for the first time under our "Reform Act." Short comings, there may be, in an infant stage, as the scope of the discussion has not been definitely marked out. In view of the fact that there are no other opportunities for us to bring matters affecting general interest to the notice of the Government, it is permissible, I believe, to refer here and there to such matters also in a review of the Budget.

The Draft is, of course, prepared in the usual method followed in previous years, and the changes introduced have been noted by the Finance Member in the Explanatory Memorandum with the usual clearness and brevity. I should however like to point out that for matters of discussion in the Council, the Draft is in a way incomplete. I desire to submit that the discussion will be absolutely futile unless we are able to point out the items under which increases have to be effected and to find out the funds for the same. To avoid trouble, it is necessary that details be also provided for the lump sums allotted under certain heads. For instance in page 137 under the heading II. B. Works P. W. D., Rs. 5 lakhs and 12 lakhs have been allotted for buildings and communications, respectively. The Council has to accept this large figure without any knowledge of the details. It is necessary that details under original works in both cases should be supplied to us so that we may have an opportunity to make our observations on the same. It has been a long standing complaint that the expenditure under the P. W. D., especially under items I and II A. Establishment, has been considerably heavy, at least not proportionate to the original works undertaken by the Department. I feel, sir, without details under this head, it is not possible to know what public wants have been met so far as my constituency is concerned, and I therefore request that an opportunity be afforded to the Council for a review of the P. W. D. Budget after the details are published.

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Proceeding to the respective heads, on page vii, Explanatory Memorandum, under Decreases in Land Revenue in the Budget Estimate for 1096, it is stated that a substantial reduction to the extent of Rs. 1,58,200 is anticipated under sale of Government lands in view of the possible curtailment of the registry of Puduval lands, while in the year 1095 an increase of about Rs. 1¾ lakhs in excess of the Budget Estimate is observed under the same item. It is necessary that the policy of the Government should be fully explained to the Council so far as it relates to the registry of Puduval lands, especially whether the reduction anticipated is due to the fact that the lands still available for registry are not large or is due to any change in their policy.

Let me proceed to the transport charge of salt. An examination of the system under which salt is sold will easily show the anamoly prevalent there, *viz.*, for salt sold at Thamarakolam and other places where the industry is located, a sum of as. 6 per maund is charged under transport charge of salt. It is evident that no transport takes place, for it is sold at the place where it is produced. The consumer is burdened with a charge which is only fictitious, and which is never incurred by any agency whatever. This sum does not go to Government but to some licensees under some strange laws of economic distribution. It is necessary that the sum of as. 6 per maund charged for transport should not be levied for the sale of salt in the factories. At any rate if the Government want to preserve a fictitious uniformity in the selling price my submission is that the transport charge must be credited to Government and not paid to the new licensees, whose unhealthy competition has handicapped the pioneers of the industry in the old *allo- s.*

I now proceed to the Abkari revenue. The increase under that item cannot be considered a matter for any congratulation and the alarming figures noted in that item year after year have been only causing great discomfort in the public mind. The inflated Abkari revenue is not the real sign of the prosperity of the people, nor the increased consumption of liquor pointed out by the Account Officer, indicative of the preservation of virtue among them. While day by day we hear of temperance movements throughout the world, not only have the temperate habits of the people grown lax, but the system in force of unduly emphasising the revenue aspect alone has severely paralysed other industries. Sir, the jaggery industry and the sugar industry have received a rude shock from the excise authorities. Licenses for tapping sweet toddy are not granted to applicants anywhere outside the Southern Division and the alleged explanation is that it is not possible to provide adequate protective staff to inspect the tapping of sweet toddy. With the notions of a layman, I should like to point out that it is most detrimental that an important industry should be neglected and no facilities provided therefor. Considering the degree of expenditure sought to be avoided and the enormous good that would have otherwise resulted, I am constrained to press for a revision of that policy.

It would appear that in sugar-refining mills, permission was not granted to the mill owners to extract and collect certain spirituous bye-products as that would interfere with the Abkari rules. Such prohibition, I dare say, is pernicious to the development of the sugar industry. In this connection I beg to suggest that it should be the endeavour of Government to show a steady decrease in the consumption of liquor and toddy and to frame rules so as not to interfere with the development of the jaggery industry.

I now come to the Forest Department. It is observed that a sum of Rs. 2,28,100 will have to be spent in 1096 more than the figure in 1095 and the bulk of the increase is due to the fact that the Department expects to realise the major portions of the revenue by working down timber departmentally. I beg to point out that no adequate explanation has been given for changing the system of working down timber by private agencies. I find that some of the contractors failed to carry out their agreements with the Department. The reason for this is more often due to the fact that the contract is one of long duration. Forests which would take nearly two years or more to be cleared, were given on contract for working down timber when the conditions were not normal, and the extent of the work was very great. Consequently some of the contractors failed; such failures would have been avoided if only the terms of the contract were revised in consideration of the altered economic conditions, and I do not think that for this reason it is advisable for the Government to undertake the task at a heavy cost. Private agencies can be invited to do the work and indigenous enterprises must be thereby encouraged. I may add that working by private agencies might be cheaper than under the proposed scheme.

Now I proceed to item No. 9. A. Law and Justice—Village Panchayat Courts, and propose that a lump sum of Rs. 750 be allotted in addition for the opening of a Village Panchayat Court at Bhuthapandy. The necessity for the same has been keenly felt and a proposal was brought forward by the Assembly Members of the taluk during some of the sessions of the Assembly.

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Sir, I shall now discuss some matters of general interest before bringing my remarks to a close. It is gratifying to note that some scarcity allowance has been lately granted to the subordinates in the Government service. But observing the stringent conditions and the high market prices prevailing in the country, it is very doubtful whether the grievances of the low paid clerks and peons have been substantially met. There have been various reorganisations of the Departments of the State; and every reorganisation only meant the creation of posts on fat salaries and the appointment of Personal Assistants, which by the way has caught the fancy of many Heads of Departments in the State. The system of appointing Personal Assistants is somewhat new in Travancore at any rate, and it is the duty of the Government to stop the Heads of Departments from going in for Personal Assistants. In fact the reorganisations brought no relief to the poor-paid clerks and servants, while the lion's share of the additional allotments was consumed by the superior service. It is a sad spectacle to note that there are about 200 peons in the Education Department receiving Rs. 6 per mensem and more than 4500 teachers receiving Rs. 12 per mensem. I must honestly confess that it is unfortunate that the Government are so niggardly in paying Vernacular School masters and the clerks and peons in the various Departments. It is superfluous to speak anything about the army in the Police, Excise and Forest and the long array of clerks in other Departments. The time has come for affording substantial encouragement to the lower ranks of Government service, and the relief extended at present is very inadequate. Unless the pay of a peon is not less than Rs. 12 and of a clerk not less than Rs. 25, it is not possible to imagine how they could manage to get on without resorting to illegitimate means of income. In this connection I am glad to note that the matter has begun to receive your earnest attention.

I shall now say a few words on the desirability of the extension of the Quilon-Trivandrum Railway to South Travancore. Ever since the Sri Mulam Popular Assembly was established, year after year the South Travancore Members have been bringing this subject to the notice of the Government times without number. In view of the healthy financial prospects of the Quilon-Trivandrum Railway, as pointed out in the Explanatory Memorandum of the Account Officer, I submit that the Government may take into consideration the scheme of extending the Line to Cape Comorin also, and the making of some provision in the present Budget itself for carrying out the necessary preliminary investigations. My friend Mr. Nidiry has pointed out that the Government generally begin everything from the south. I don't see any reason why the Government should deviate from their policy in this matter alone.

Sir, before closing my observations I wish to put in a word or two in appreciation of the work of the Finance Member in preparing this Budget. He has more or less accurately foreshadowed the probable receipts and expenditure for the next year, and all credit is due to him for the successful manner in which the Draft has been prepared.

I have contented myself with asking for information on certain points and making a few suggestions and proposals for reducing the expenditure under certain heads and for increases under other heads. I hope the Finance Member and the Government will see their way to accept the changes indicated in the light of the observations made, for, after all, these alterations have been proposed in the best interests of the people whom I represent."

Mr. John:—

"Sir,

With your kind permission, I would like to make some remarks on the following subjects:—

(1) *Excise.* The next year's estimated revenue under this head is Rs. 40,79,500 an increase of Rs. 3,61,900 over the revised estimate. That is a steady increase under this item and this increase seems to have been contributed by license fee and duty on country liquor. The increase, on a revenue point of view, is very satisfactory, but I think there is another aspect of the question to be considered. At least 70 per cent. of the money is collected under license fee and duty from the labouring classes. I have my doubts whether this is not profiteering by Government and that by the sale of an injurious article of drink mostly to the labouring classes and at a time when cost of living is so very high. This is a very large source of revenue to Government, but I would request you to kindly consider whether it is a desirable source of revenue.

(2) *Education.* The estimated expenditure under this head is Rs. 29,60,000. Money spent on education is money well spent, provided the education given is in the right direction. I have my doubts about the present system of education, especially the

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vernacular side of it. It is very much like a mint for mass production of coins, one set of teachers producing another set. The students are kept too long in the schools and come out at about the age of 18, fit neither for the field nor for the office. Every year, thousands of youngsters are turned out of the schools, all seeking employments as teachers or clerks, for which alone they themselves think they are fit. It is high time that some change is made in the system of education; otherwise the enormous amount now spent on education will not only be a waste but will be helping to injure the future of the younger generation. This is a very serious question and one to be gone into very carefully. I would request you, sir, to give your careful consideration to this matter.

(3) *Public Works.* This seems to be one of the neglected Departments of the State. The expenditure under this head in 1088 was Rs. 36,65,594 and in 1089 and 90 very nearly 38 lakhs. This year's revised estimate is Rs. 29,98,800 and the estimate for 1096, Rs. 28,79,100 *i. e.*, a decrease of about 10 lakhs compared to 1089 and 1090. Out of this, the amount allotted to communications is Rs. 6,60,000 for original works, and Rs. 6,50,000 for maintenance and repairs. The development of a country like Travancore depends to a great extent on its communications. The raw produce is to be brought down to the coast for marketing. The Southern Division, when compared to the Central and Northern Divisions, is, to some extent, provided with good roads. The road communication in the Northern Division is entirely inadequate, considering the development already made especially in the Hill Districts. Even the existing roads are badly neglected there, and it is very difficult to take even a bullock cart along most of the branch roads during the rainy season. The volume of traffic has increased ten times during the last 4 or 5 years, and this increase will go on rapidly. Cart hire has doubled since last year. There is a good amount of waste for want of communications. I will give one instance here. The cocoanut husk which is very nearly as valuable as the copra is now thrown away in all the Hill Districts for want of cheap transport. On an average 2000 cocoanuts will produce a candy of copra worth about Rs. 125 and the fibre from about 2500 husks will produce a candy of coir yarn which also will fetch very nearly Rs. 125 per candy. Thousands and thousands of rupees worth of husks are every month thrown away because there is no means to bring them down to the Lake Districts for soaking. The first and the most urgent work to be undertaken is the Railway connection between Quilon and Alwaye. Then come the construction of more roads and the proper maintenance of these roads for motor traffic. The present volume of traffic cannot be handled by bullock carts, and, wherever roads are in order, motor traffic will surely be introduced. Another suggestion I beg to bring to your kind consideration is the improvement of water communications. In almost all the Travancore rivers the fall from the foot hills to the sea is not very steep. Now, during the hot weather, boats can be taken only up to a certain point. Above that point, the river is shallow, and boats cannot pass during the hot months. I have heard that in France and other European countries the water level is kept up by means of collapsible bunds and locks and the rivers made navigable for small flat bottomed boats up to very nearly their very sources. If this could be done in Travancore it will be a great boon to the country. At least, it is worth a trial in one of the rivers, because, if it succeeds, it will in a way solve the very difficult problem of transport, especially in foot Hill Districts, where vast developments are now being made. Money spent on communications, if judiciously spent, is money well spent, which will help the material development of the country and indirectly repay the Government.

(4) *Agriculture and Industries.* These are two infant Departments which have to grow up and produce results yet.

A deficit or surplus at the end of a year is no test of the success of an administration. At the end of the civil war in America the debt of the United States was £ 50 crores. The first step of peace was not to repay this debt but to restore the economic future of the people, a step which cost another £30 crores making the total debt £80 crores, and the result was the most rapid recovery and extinction of debt that the world has ever known. Gladstone's idea of high finance is given by Lord Morley in his life as "the steadfast pursuit of the durable enlargement of the production power". I hope you will follow this principle."

THE ELECTRICITY BILL.

Mr. Subba Ayar:—

"Sir,

The next business in the agenda is the introduction of the Electricity Bill. The Bill has under Rule 32 been published in the Gazette with the previous sanction of the

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